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26 February 1957

Dear Mr. Jones:

Some of the considerations which prompt the Central Intelligence Agency to propose legislation for special retirement benefits should not be discussed publicly and must be kept on a need-to-know basis. Therefore this letter is classified CONFIDENTIAL.

Simply stated, CIA's retirement objectives are as follows: "to improve the service by providing earlier retirement and an augmented annuity to persons who have served extensively overseas with CIA." The essence of this policy is to make it possible for persons to voluntarily retire who have served well in overseas capacities -- the functions for which they were primarily employed -- when they have reached an age where their usefulness overseas has become impaired, through no fault of their own, and when their incorporation into headquarters activities is not practical nor in the interest of the Government. Their retirement must be at an economically feasible annuity.

Our objective is not to reward these persons for special service but to make it possible and economically practical for them to volunteer to retire and thereby make way in our overseas work force for replacement by younger persons with the required energy and stamina.

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The principle of earlier retirement in order to improve the service has been recognized by the Congress in the special provisions for Law-Enforcement Employees contained in the Civil Service Retirement Act as expressed in the Federal Personnel Manual, Chapter R-5, page R-5-36:

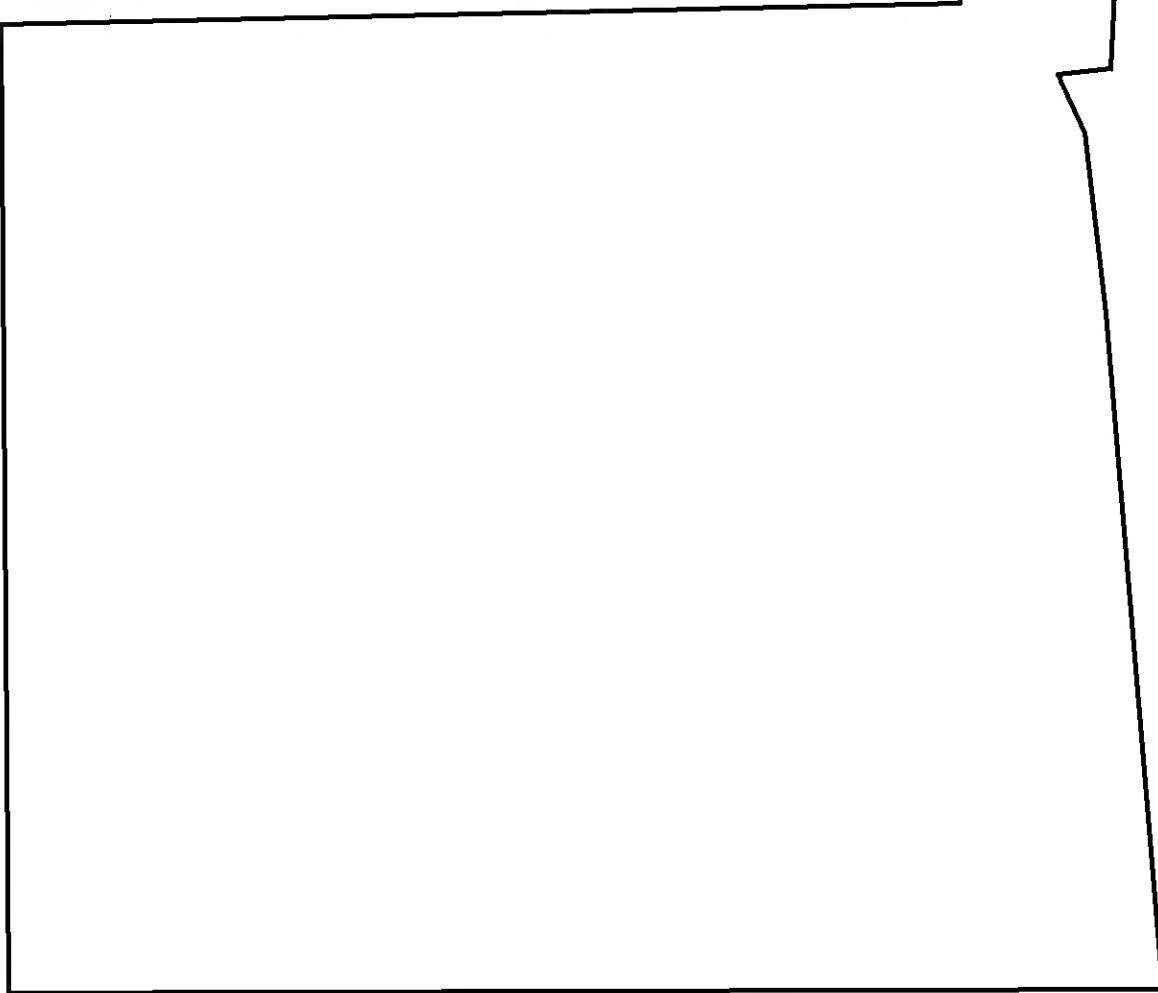
"The legislative history of this provision shows that its purpose is to allow the earlier retirement of certain employees whose duties are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States who, because of the physical requirements of their positions and the hazardous activities involved, are no longer capable of carrying on efficiently. Their replacement by younger men would improve the service. A more generous method of computing the amount of annuity is provided, not as a special reward for the type of service involved, but rather because a more liberal formula is usually necessary to make the earlier retirement (with resultant shorter service) economically possible."

It is not possible for us to apply the law enforcement provisions of the Civil Service Retirement Act to CIA personnel. However, I

believe the principle of earlier retirement in order to improve the service, which has been recognized by the Congress, can equally well apply to overseas personnel of CIA. Attached is a statement from Chief, Medical Staff, CIA concerning medical requirements for overseas CIA personnel.

We cannot discuss in an unclassified atmosphere the circumstances or the factors which make overseas service for CIA hazardous and dependent upon youth and vigor since all of our personnel overseas with the exception of one small unit are under cover.

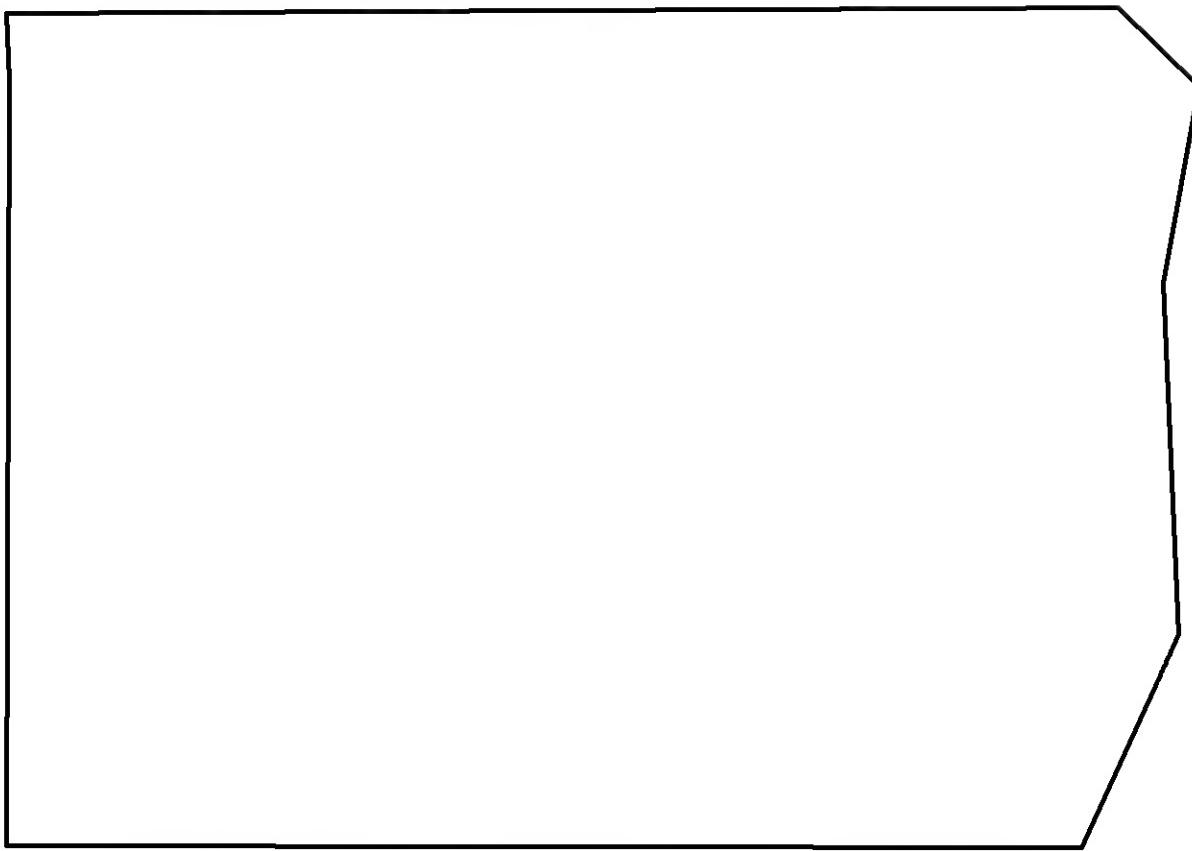
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After several years of intensive study, CIA established its career program and what it calls its "Career Staff." This was done by the Director of Central Intelligence using the authorities vested in him by P.L. 110. One of the very basic principles which was carefully weighed and, after much deliberation, formally incorporated into our plan was the principle that we would not pre-identify categories of CIA personnel such as groups who were expected to serve overseas. Since CIA's operations may depend on the expeditious and devoted performance of menial tasks such as driving a truck under extraordinary circumstances to meet an extremely close deadline, as well as producing an idea on black propaganda to be used overseas,

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or preparing an element of a national estimate, we have concluded that it is undesirable to establish categories of special privileged or elite groups. We do not wish to create an overseas cadre and a departmental cadre.

We are, therefore, proposing that the group to which early retirement would be applicable be self-identified through actual overseas service rather than be pre-identified on expectation that it will serve in special circumstances. In carrying out this principle, the formula which we propose provides the following:

(a) permission to retire prior to normal CSC retirement age only with the personal approval of the Director (the Director has stated that the last thing he would like to do would be to retire any individual who has usefulness to the Agency); (b) accelerated retirement only after 20 years total creditable Government service; (c) 12 years minimum service with CIA; (d) no person may retire under this plan with less than 4.8 years of overseas service; (e) above the 4.8 year floor of minimum overseas service, overseas service in proportion to the opportunity that the individual has had available to him; (f) extra credit at the rate of one year for each four overseas in order to provide the individual an economically feasible annuity and make it practical for him to request early retirement.

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become involved in personal responsibilities of an increasingly burdensome nature, which restrict their usefulness as time goes on. Their usefulness is dependent on vigor and stamina rather than on intellectual activity. Thus it is our belief that to be in a position to retire people of this type at age fifty would be very advantageous.

Some of the most skillful and useful persons in our intelligence and psychological warfare effort are foreign born. Despite their high intelligence, their knowledge of foreign areas, and devotion to duty it is impossible because of security restrictions to convert them to responsible positions in the fields of analysis and supervision. Although some of these people will be able to perform in a superior fashion overseas after they are 55^{or 60}, others for various reasons will have served their usefulness and should retire sooner.

The Agency and, in an emergency, the Department of State depend on CIA communications for the maintenance of a global communications net. Characteristically, as communications technicians grow older, their availability for overseas assignment decreases. Therefore, in the interests of efficiency, we believe this category of personnel should be allowed to retire at an age earlier than normal for Government employees in the continental limits of the United States.

You will note that ~~in~~ ^{for} the four types of persons that I have described we do not have extensive activities in this country. Therefore, when the overseas usefulness of these persons has expired we can not efficiently absorb them into our departmental work force.

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